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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
| 09/998,332 | 12/03/2001 | Paul Norris | 37540-00608 | 5587 |

25243 7590 09/08/2006
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| EXAMINER |
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GRAHAM, CLEMENT B

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| ART UNIT | PAPER NUMBER |
| 3628 | |

DATE MAILED: 09/08/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/998,332

Applicant(s)

NORRIS, PAUL

Examiner

Clement B. Graham

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 October 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-27 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1-27, are rejected under 35 U.S.C. 102(e) as being anticipated by Finkelstein et al (Hereinafter Finkelstein U.S Pub: 2001/0037284A1).

As per claim 1, Finkelstein discloses a method for enhancing the liquidity of a tradable security, comprising the steps of:

holding an issue of the security; retaining a first portion of the holding; 5 determining when the security is being squeezed; and

offering to the market a second portion of the holding during the squeeze other than for the purpose of effecting non-borrowed reserves and to enhance the liquidity of the market for the security.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 2, Finkelstein discloses wherein the step of offering to the market a second portion of the holding further comprises the step of auctioning the second portion of the holding to a group of market participants according to a predetermined bid range. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 3, Finkelstein discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1 %..(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 4, Finkelstein discloses further comprising the step of determining the results of the auction according to a pre-determined format.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 5, Finkelstein discloses wherein the first portion varies between a range of about 25% to about 50% of the issue..(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 6, Finkelstein discloses wherein the second portion varies between a range of about 10% to about 25% of the issue.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 7, Finkelstein discloses wherein the second portion comprises all of the first portion. .(see column 1-5 paragraph 0002-0035 and column 6-12 0036-0113).

As per claim 8, Finkelstein discloses wherein the second portion comprises less than all of the first portion. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 9, Finkelstein discloses further comprising the step of repoing the second portion of the holding. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 10, Finkelstein discloses a method for enhancing the liquidity of a tradable security, comprising the steps of:
committing to provide a repo facility for the security;
issuing the security;
retaining a first portion of the issuance of the security.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113)
establishing criteria for lending a second portion of the retained first portion of the issuance.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113)
lending the second portion of the issuance of the security pursuant to the criteria other than for the purpose of effecting non-borrowed reserves;
repoing the second portion of the issuance pursuant to the criteria. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 11, Finkelstein discloses wherein the step of lending the second portion of the issuance further comprises the step of auctioning the second portion of the issuance to a group of market participants, and the established criteria comprises a pre-determined bid range. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 12, Finkelstein discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1%..(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 13, Finkelstein discloses further comprising the step of determining the results of the auction according to a pre-determined format. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 14, Finkelstein discloses wherein the first portion varies between the range of about 25% to about 50% of the issue. .(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 15, Finkelstein discloses wherein the second portion varies between the range of about 10% to about 25% of the issue. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 16, Finkelstein discloses wherein the second portion comprises all of the first portion. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 17, Finkelstein discloses wherein the second portion comprises less than all of the first portion. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 18, Finkelstein discloses a system for repoing a security in a market, comprising: commitment to the market to repo the security;

issuance means for issuing the security;

retention means for retaining a portion of the security(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

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lending means for lending a second portion of the retained securities when the market for the security is special other than for the purpose of effecting non borrowed reserves; and repo means for repoing the securities to enhance the liquidity of the security. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 19, Finkelstein discloses a method for enhancing the liquidity of a tradable security by an entity selected from the group consisting of: a private issuer, a non-treasury entity, a nongovernmental entity, and a non-agency entity, said method comprising the steps of:

holding an issue of a security; retaining a first portion of the holding;

determining when the security is being squeezed; and

offering to the market a second portion of the holding during the squeeze other than for the purpose of effecting non-borrowed reserves and to enhance the liquidity of the market for the security. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 20, Finkelstein discloses wherein the step of offering to the market a second portion of the holding further comprises the step of auctioning the second portion of the holding to a group of market participants according to a predetermined bid range. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 21, Finkelstein discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1%..(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 22, Finkelstein discloses further comprising the step of determining the results of the auction according to a pre-determined format. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 23, Finkelstein discloses wherein the first portion varies between a range of about 25% to about 50% of the issue. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 24, Finkelstein discloses wherein the second portion varies between a range of about 10% to about 25% of the issue. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

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As per claim 25, Finkelstein discloses wherein the second portion comprises all of the first portion. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 16, Finkelstein discloses wherein the second portion comprises less than all of the first portion. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

As per claim 27, Finkelstein discloses further comprising the step of repoing the second portion of the holding. (see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113).

Conclusion

3. The prior art of record and not relied upon is considered pertinent to Applicants disclosure.

Eder (US 2001/0034686 A 1) teaches method of and system for defining and measuring the real options of a commercial enterprise.

Sandretto (US PATENT: 5, 812, 988) teaches method and system for jointly of estimating cash flows simulated returns risk measures and present values for a plurality of assets.

Horsfall (US Patent 2003/0083973 A1) teaches electronic trading system.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

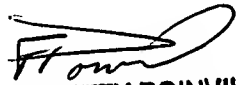
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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

August 31, 2006


FRANTZY POINVIL
PRIMARY EXAMINER
Au 3628